



TEMPORARY

THE STATE OF NEVADA

PERMIT TO CHANGE THE PUBLIC WATERS OF THE STATE OF NEVADA HERETOFORE APPROPRIATED

Name of applicant: CORTEZ JOINT VENTURE
Source: UNDERGROUND
Basin: CRESCENT VALLEY
Manner of Use: MINING, MILLING AND DEWATERING
Period of Use: January 1st to December 31st
Priority Date: 02/04/1992

APPROVAL OF STATE ENGINEER

This is to certify that I have examined the foregoing application, and do hereby grant the same, subject to the following limitations and conditions:

This temporary permit to change the point of diversion and place of use of a portion of the waters of an underground source as heretofore granted under Permit 57136 is issued subject to the terms and conditions imposed in said Permit 57136 and with the understanding that no other rights on the source will be affected by the change proposed herein. The well shall be equipped with a 2-inch opening and a totalizing meter must be installed and maintained in the discharge pipeline near the point of diversion and accurate measurements must be kept of water placed to beneficial use. The totalizing meter must be installed before any use of the water begins or before the proof of completion of work is filed. If the well is flowing, a valve must be installed and maintained to prevent waste. This source is located within an area designated by the State Engineer pursuant to NRS 534.030.

This temporary permit does not extend the permittee the right of ingress and egress on public, private or corporate lands.

The issuance of this temporary permit does not waive the requirements that the permit holder obtain other permits from State, Federal and local agencies, and is specifically issued contingent upon approval by the Nevada Division of Environmental Protection of the dewatering project.

This temporary permit is issued pursuant to the provisions of NRS 533.345 Section 2 and accounts for pumpage in calendar year 2009, and therefore expires one day after the date of approval, at which time all rights herein granted shall revert to the right being changed by this temporary permit.

This temporary permit is issued subject to the Pipeline Gold Project Groundwater and Surface Water Monitoring Plan submitted to the State Engineer on August 2, 1993. The State Engineer may require additional monitoring should conditions warrant such modification.

This temporary permit will allow the permittee to dewater the mine area. It is understood that any water produced as a result of this dewatering operation shall be used first by the permittee for mining, milling and related uses.

(Continued on Page 2)

An annual total of 3,963.64 acre-feet of water produced from dewatering may be used consumptively from Permits 72675 through 72684, 78086, and 78087 for mining and milling purposes.

An annual total of 3,160.87 acre-feet of water produced from dewatering may be used consumptively from Permits 61193, 67614 through 67616, 71454, and 72670 through 72673 for stock and irrigation

Any water produced from dewatering in excess of 7,124.51 acre-feet annually shall be returned to the Crescent Valley Groundwater Basin via infiltration galleries or injection wells. The design of the rapid infiltration basins or injection wells and the delivery system to these sites shall be submitted to the State Engineer for approval.

Monthly records shall be kept of the following and reported within 15 days after the end of each quarter:

- A. The total volume of water pumped from each diversion in acre-feet.
- B. The maximum flow rate from each diversion in cubic feet per second.
- C. The pumping water level from each well in feet above mean sea level.
- D. The volume of water consumptively used for mining and milling in acre-feet.
- E. The amount of water diverted to the infiltration or injection sites in acre-feet.
- F. The amount of water diverted to other stock and irrigation, if any, in acre-feet.
- G. The amount of water lost through evaporation or other system losses project wide.

The total combined diversion rate under Permits 57134, 57136 through 57138, 57140, 57144 through 57148, 61193, 62723, Certificate 16016; Permits 67510, 67511, 67513, 67614 through 67616, 71044, 71454, 72665 through 72689, 78085, 78086, 78087 and Temporary Permits 79301T, 79302T, 79303T, 79304T, 79305T, 79306T, 79307T and 79308T shall not exceed 77 cubic feet per second. The total combined withdrawal of water under these permits shall not exceed 55,606 acre-feet annually.

The State Engineer retains the right to regulate the appropriation and use of the public waters herein granted at any and all times.

The issuance of this temporary permit expires temporary permit 78090T.

The point of diversion and place of use are as described on the submitted application to support this permit.

The amount of water to be appropriated shall be limited to the amount which can be applied to beneficial use, **and not to exceed 1.361 cubic feet per second or 985.3 acre-feet annually.**

Work must be prosecuted with reasonable diligence and proof of completion of work shall be filed on or before:

N/A

Water must be placed to beneficial use and proof of the application of water to beneficial use shall be filed on or before:

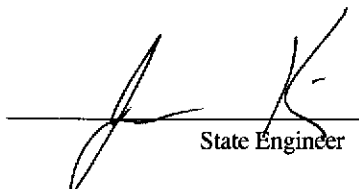
N/A

Map in support of proof of beneficial use shall be filed on or before:

N/A

IN TESTIMONY WHEREOF, I, JASON KING, P.E.,

State Engineer of Nevada, have hereunto set my hand and the seal of my office, this 23rd day of June, A.D. 2010

 P.E.

State Engineer

**APPLICATION FOR PERMISSION TO CHANGE POINT OF DIVERSION, MANNER
OF USE AND PLACE OF USE OF THE PUBLIC WATERS
OF THE STATE OF NEVADA HERETOFORE APPROPRIATED**

THIS SPACE FOR OFFICE USE ONLY

Date of filing in State Engineer's Office JAN 28 2010

Returned to applicant for correction _____

Corrected application filed _____ Map filed MAR 02 2009 under 78085

The applicant CORTEZ JOINT VENTURE

HC 66, Box 1250 of Crescent Valley

Street Address or PO Box

City or Town

Nevada 89821-1250 hereby make(s) application for permission to change the

State and ZIP Code

☒ Point of diversion

☒ Place of use

☐ Manner of use

☒ of a portion

of water heretofore appropriated under (Identify existing rights by Permit, Certificate, Proof or Claim Nos. If Decreed, give title of Decree and identify right in Decree.)

Permit 57136

1. The source of water is Underground (DB-30)
Name of stream, lake, underground, spring or other sources.

2. The amount of water to be changed 1.361 c.f.s. (985.30 AFA)
Second feet, acre-feet. One second foot equals 448.83 gallons per minute.

3. The water to be used for Mining, Milling, Dewatering & Domestic
Irrigation, power, mining, commercial, etc. If for stock, state number and kind of animals. Must limit to one major use

4. The water heretofore used for Mining, Milling, Dewatering & Domestic
If for stock, state number and kind of animals.

5. The water is to be diverted at the following point (Describe as being within a 40-acre subdivision of public survey and by course and distance to a found section corner. If on unsurveyed land, it should be stated.)

within the NW¼NW¼ Section 8, T.27N., R. 47E., MDM, or at a point from which the SE Corner of Section 32, T. 28N., R. 47E., MDM bears North 41°26' East, a distance of 8.219 feet (as shown on supporting map filed under Application 78085). (Well DB-30)

6. The existing point of diversion is located within (If point of diversion is not changed, do not answer.)

within the SW¼NE¼ Section 32, T.28N., R. 47E., MDM, or at a point from which the SE Corner of Section 1, T. 27N., R. 46E., MDM, bears South 46° 10' West, a distance of 13.971 feet (as shown on supporting map filed under Application 57133).

54-10

7. Proposed place of use (Describe by legal subdivisions. If for irrigation, state number of acres to be irrigated.)

T. 27N., R. 46E., MDM: Sections 12, 13, 23, 24, 25, 26.

T. 27N., R. 47E., MDM: Sections 4, 5, 6, 7, 8, 9, 18, and unsurveyed Section 19.

T. 28N., R. 47E., MDM: Sections 13, 15, 21, 22, 27, 28, 29, 30, 31, 32, 33.

(as shown on supporting map filed under Application 78085).

8. Existing place of use (Describe by legal subdivisions. If changing place of use and/or manner of use of irrigation permit, describe acreage to be removed from irrigation.)

T. 27N., R. 47E., MDM: All of unsurveyed Sections 5, and 6.

T. 28N., R. 47E., MDM: All of Sections 31 and 32.

(as shown on supporting map filed under Application 57133).

9. Proposed use will be from January 1 to December 31 of each year.
Month and Day Month and Day

10. Existing use permitted from January 1 to December 31 of each year.
Month and Day Month and Day

11. Description of proposed works. (Under the provision of NRS 535.010 you may be required to submit plans and specifications of your diversion or storage works.) (State manner in which water is to be diverted, i.e., diversion structure, ditches, pipes and flumes or drilled well, pump and motor, etc.)

Existing drilled and cased well; submersible or line shaft pump and motor, storage tanks, pipeline network to mine, mill, and infiltration basins and irrigated fields.

12. Estimated cost of works in excess of \$1,000,000

13. Estimated time required to construct works existing cased well drilled under Well Log 106413, 2,005' deep
If well completed, describe well.

14. Estimated time required to complete the application of water to beneficial use 5 years

15. Provide a detailed description of the proposed project and its water usage (use attachments if necessary): (Failure to provide a detailed description may cause a delay in processing.)

This temporary change is filed in compliance with State Engineer Order #1082-A and reports a portion of the total quantity of water pumped from this source for mining, milling, dewatering, and domestic purposes in calendar year 2009.

16. Miscellaneous remarks:

Please send copies of notices and correspondence to the undersigned agent.

E-mail Address

775-883-1600

Phone No.

APPLICATION MUST BE SIGNED
BY THE APPLICANT OR AGENT

Bruce R. Scott

Type or print name (clear)

Signature, applicant or agent

Resource Concepts, Inc.

Company Name

340 North Minnesota Street

Street Address or PO Box

Carson City, NV 89703

City, State, ZIP Code